CIM MASTER PLAN ECONOMICS

PREPARED FOR
GOODELL BRACKENBUSH, LLC

DECEMBER 2002

ERA PROJECT NO. 14546

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EXECUTIVE SUMMARY

POPULATION

San Bernardino County population increased by 20.5 percent from 1990 to 2000, placing it among the most rapidly growing counties in California, with a current population of over 1.7 million. During the decade, Chino's population increased by approximately 13 percent, to over 67,000. Chino's growth rate in our judgment was limited by a shortage in the supply of large developable residential parcels.

RESIDENTIAL GROWTH & VALUE

Residential development in Chino has accelerated over the past several years, from only three single-family home permits issued in 1995, and to an annual average of close to 200 new units over the three years concluding in April 2002. With the exception of 104 multifamily units permitted in 1997, multifamily construction has been negligible in Chino for the past decade.

The residential market analysis for this assignment was originally conducted in early 2000, and was updated in mid 2001. At that time local market trends showed a strong and appreciating housing market, and a spot survey of the then active projects showed the Chino projects priced in excess of $130 per square foot, and Chino Hills around $140.

PROJECT PROJECTIONS

In our judgment, Chino's past growth has been limited by land supply constraints. Based on the residential market analysis conducted in 2000-2001, we projected opportunities for onsite absorption of around 300 units annually, assuming an average of three or more differentiated products being marketed at a given time.

A variety of residential product scenarios were evaluated by the project team. We focused on scenarios with 2,000+/- dwelling units, with a substantial majority located on 4,500- to 6,000-square-foot lots, with some one-half-acre estate product as compatible with adjacent new product of this nature, and also including approximately 200+/- each of detached products and rental apartments.

THE VILLAGE CENTER - REGIONAL PARK/RESIDENTIAL/RETAIL/CAMPUS

The project plan brings together in the Village Center the community college, a regional park, retail and services and the denser residential components of the project which should, if properly planned and phased, create a vibrant community focus.

The inclusion of a community college campus within the plan adjacent to a regional park will provide a center of activities, enhance commercial potentials, provide cultural and recreational uses, and serve as a focal point for creating a desirable community environment emphasizing education.

As primarily commuter campuses, most existing community colleges have a variety of relatively small food service outlets scattered throughout their campuses, in addition to bookstores and off-campus commercial facilities.

However, market potentials for the Village Center development were analyzed based on the projected onsite market, surrounding existing and projected residential markets, the over 20,000 employees at commercial and industrial establishments within a 1.5-mile radius, as well as community college students, faculty, and staff.

- There are a total of 3,715 housing units within 1.5 miles of the northern boundary of the property, between Chino Avenue and Euclid Avenue, as counted from current aerial photographs. In addition to the projected over 2,000 units on the site, and including the local employee base, we project adequate market support for a 45,000-square-foot supermarket at a gross volume of close to $24 million in 2002 dollar values. We project that the college students and staff will account for about 7 percent of total market support.

- With a supermarket, we project potentials for up to 122,000 square feet of neighborhood shopping and commercial space on the site. This potential, however, would be greatly reduced should a full supermarket be developed on a competing site on Edison Avenue.

- Without a supermarket, appropriate commercial development would be probably limited to a convenience/community-serving complex of 20,000 to 30,000 square feet of retail/food service/personal service space.

Section I

INTRODUCTION

OVERVIEW

Economics Research Associates (ERA) was retained by the California Department of General Services as part of the team headed by Goodell Brackenbush Inc. to assist in formulating a Strategic Land Use Plan for the Chino Institution for Men (CIM) site in Chino California. ERA was designated the task of carrying out the economic analysis of proposed land use scenarios on the basis of market conditions and help select a preferred development alternative that yields optimal land value within the constraints physical and legal constraints of the site. The site includes the general area enclosed by Euclid Ave. to the east, Edison to the north, Central to the west, and irregularly defined by Eucalyptus and Merrill Ave. to the south.

ERA first carried out a market study focusing primarily on residential land uses on the site. Based on this, ERA helped develop three residential land use mix alternatives by type of product, price points, densities, and absorption scenarios and tested each alternative from a gross present value perspective to come up with the preferred alternative.

The original version of this analysis, completed in June 2001, related to a development plan including a golf course. This analysis was revised in March 2002 to reflect the opportunity that a Community College could be included within the site. Although most of the market and economic data has been updated. The residential market analysis has not been fully updated and the original data from March 2001 is included herein for background perspective.

The first of the sections following the Executive Summary will examine the broad demographic and economic trends in Chino and the Inland Empire region. The next section will present a focused residential market analysis, along with an overview of the potential for retail uses. This section will also present some alternative residential land use mix scenarios. The final section will present a discussion of the potential impacts from a community college in terms of optimizing the land use mix, as well as other economic benefits.

GENERAL LIMITING CONDITIONS

Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible and it is believed to be reliable. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agent and representatives or any other data source used in preparing or presenting this study. No warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

Section II

POPULATION AND DEMOGRAPHY

INTRODUCTION

The following base analysis lays the foundation for the CIM land use plan and preferred development alternative which will be formulated in the next tasks. This section analyses population, household and employment growth in Chino in the regional context.

REGIONAL GROWTH TRENDS

San Bernardino was the second fastest growing county in the four county region including Riverside, San Bernardino, Los Angeles and Orange, during the 1990-00 period. Experiencing a growth of approximately 20.5 percent during the 1990-00 period, it was exceeded only by Riverside, making the Riverside-San Bernardino PMSA, the fastest growing region in California. As seen in Table II-1 and Table II-2, both SCAG and the California Dept. of Finance project that the San Bernardino and Riverside Counties will grow at an approximate average annual rate of 2.4-3.0 percent in the next 20 years, making them among the fastest growing counties in the state as well as the nation. Projections indicate that the population in San Bernardino County is expected to exceed 2.8 million by the year 2020. The 'West-Valley' area encompassing the communities of Chino, Ontario, Rancho Cucamonga and Upland will experience the greatest share of this growth. This is primarily due to the following reasons

- Proximity to employment centers in Los Angeles and Orange counties via good freeway access (I-10, I-15, SH-60, SH-7, and SH-91).
- Other location amenities such as high quality schools, retail and recreation amenities vis-a-vis the low cost of housing.
- Proximity to the Ontario International Airport and access to the Union Pacific rail line combined with trucking opportunities along the regional freeways, allowing for approximately 47 percent of the California market to be accessed within an hour of western San Bernardino county. This makes the region highly desirable for manufacturing, warehousing and offices.

Table II-1
SCAG Demographic Projections
Chino vs. San Bernardino County

	Households		Employment		Population	
Year	**Chino**	**S.B. County**	**Chino**	**S.B. County**	**Chino**	**S.B. County**
2000	17,482	564,962	41,666	617,055	66,072	1,772,539
2005	18,553	639,057	53,113	734,724	69,421	2,005,402
2010	19,707	716,609	66,108	860,707	72,904	2,239,578
2015	20,890	805,650	78,241	983,496	76,660	2,512,670
2020	22,251	904,942	92,123	1,103,362	80,444	2,830,050
CAGR	1.2%	2.4%	4.0%	2.9%	1.0%	2.4%

Note:

-1998 SCAG projections for all years, including 2000.
-The Southern California Association of Governments (SCAG) growth projections are driven by a range of planning factors that include, regional transportation, air quality etc.These projections are not necessarily a reflection of the currently adopted General Plans of the communities in the region. As a result actual growth in a community could vary depending on their actual allocation/share of regional growth.

Source: Southern California Association of Governments

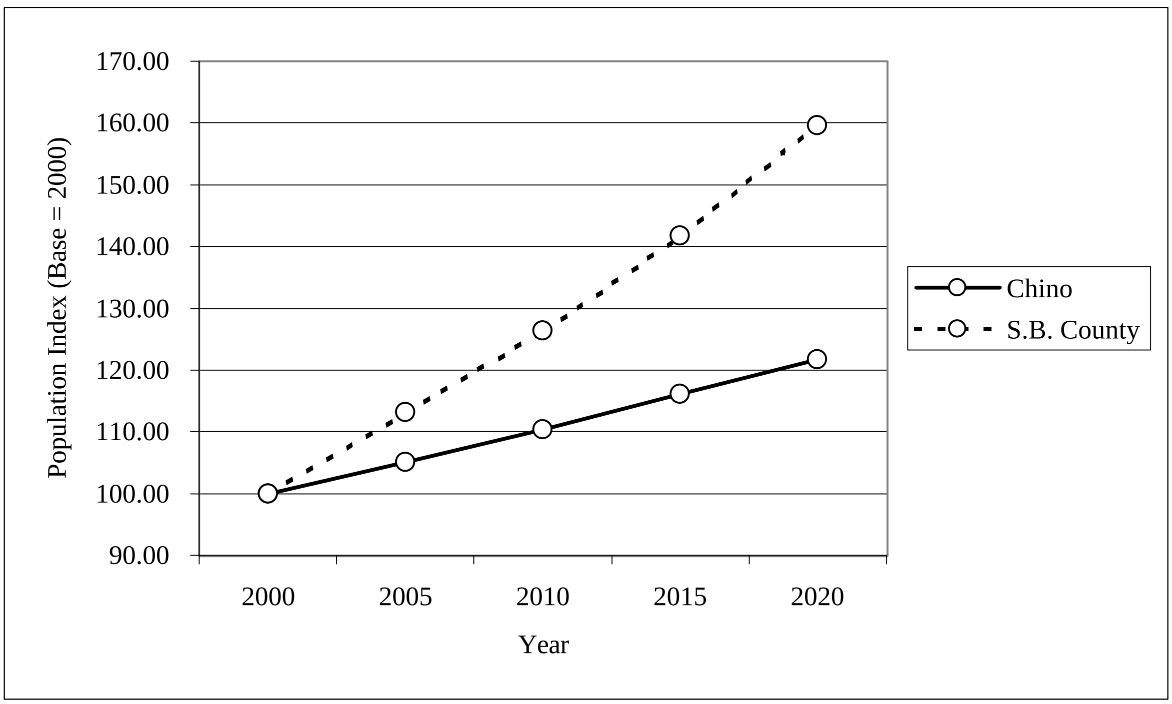
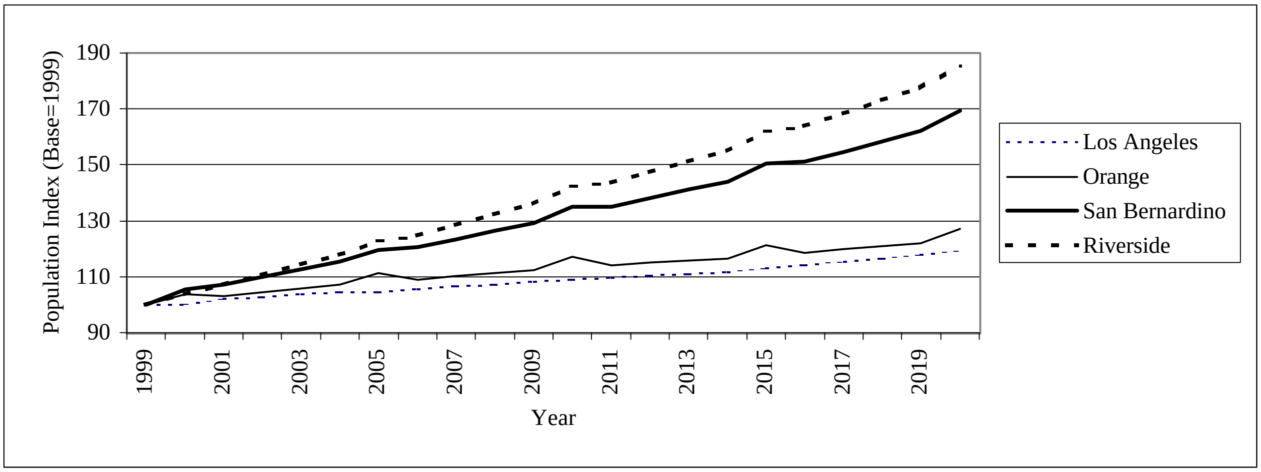


Table II-2
Regional Population Growth Projections

	1999	2000	2005	2010	2015	2020	CAGR*
Los Angeles	9,727,841	9,716,000	10,169,100	10,605,200	10,983,900	11,584,800	0.8%
Orange	2,787,593	2,893,100	3,099,700	3,266,700	3,384,300	3,541,700	1.1%
San Bernardino	1,654,007	1,742,300	1,980,000	2,231,600	2,487,700	2,800,900	2.5%
Riverside	1,519,469	1,577,700	1,864,700	2,159,700	2,459,600	2,817,600	3.0%



*CAGR - Compounded Annual Growth Rate
Source: Economics Research Associates and California State Department of Finance

POPULATION AND HOUSING

As per the 2000 Census, The Inland Empire continued to grow at the highest rate not only in the Southern California region, but also in the entire state. However, population growth rates in the City of Chino have lagged the regional growth patterns. Table II-3 presents population growth in the City of Chino compared to San Bernardino County, from 1990 to the year 2000.

Table II-3

Population Growth

	1990	2000	CAGR
San Bernardino County	1,418,380	1,709,434	1.88%
Chino	59,682	67,168	1.19%

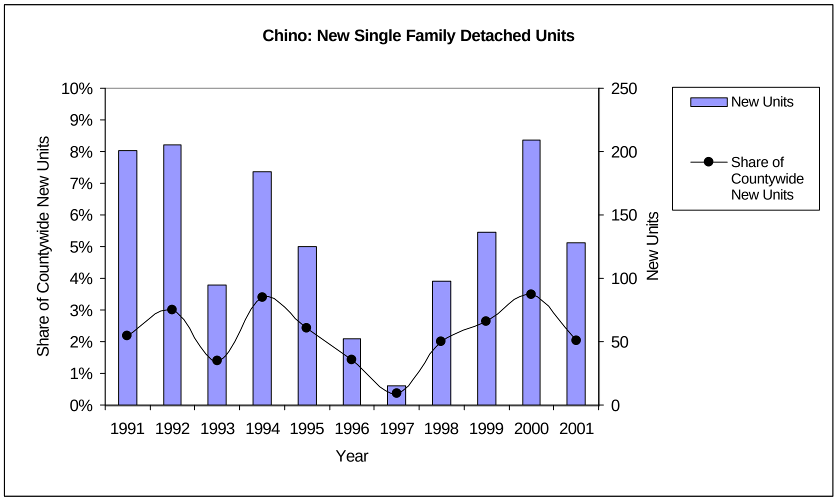
CAGR = Compounded Annual Growth Rate

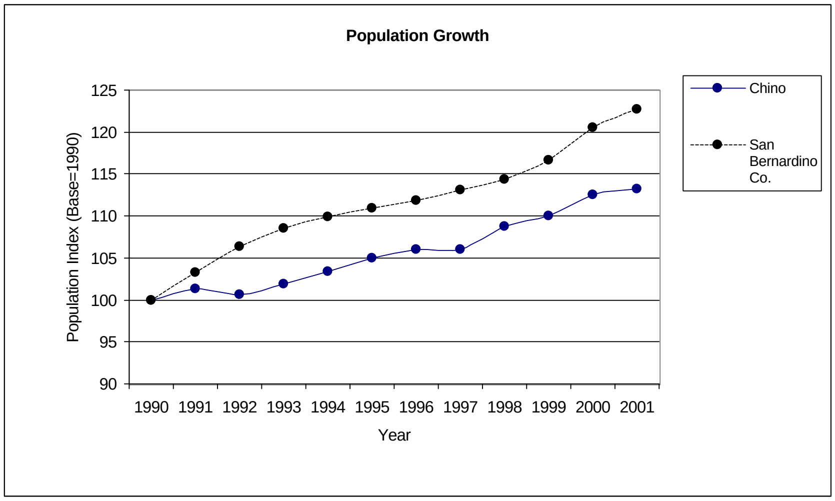
Source: US Census Bureau

The 2000 census estimates the year 2000 population of the City of Chino to be 67,168. This is approximately 3.9 percent of the countywide population of 1,709,434, and is marginally lower than the City's countywide share of 4.2 percent in 1990. During the past decade (1990-2000), the City's population has grown at a rate of 1.19 percent annually, which is lower than the countywide growth rate of 1.88 percent. In absolute terms, the City's population has grown by approximately 12.5 percent during the 1990-2000 period, compared to the countywide increase of more than 20.5 percent during the same period. Table II-4 presents population and housing growth comparisons between the City of Chino and San Bernardino County in slightly greater detail. Though Chino's share of countywide new units experienced a significant drop in the latter half of the 1990s, it has been fairly consistent during the past five years. The small drop in 2001 can be attributed to continued absorption of units from the previous year.

Table II-4
Chino: Population and Housing Trends

	Chino					San Bernardino County		
Year	Population	Chino Population as a % of County	Single Family Detached Homes	New Units	Share of Countywide New Units	Population	Single Family Detached Homes	New Units
1990	59,682	4.2%	11,046			1,418,380	361,598	
1991	60,481	4.1%	11,247	201	2.2%	1,464,687	370,838	9,240
1992	60,072	4.0%	11,452	205	3.0%	1,508,714	377,698	6,860
1993	60,821	4.0%	11,547	95	1.4%	1,539,621	384,545	6,847
1994	61,717	4.0%	11,731	184	3.4%	1,559,146	389,975	5,430
1995	62,685	4.0%	11,856	125	2.4%	1,572,676	395,112	5,137
1996	63,295	4.0%	11,908	52	1.4%	1,587,154	398,753	3,641
1997	63,275	3.9%	11,923	15	0.4%	1,604,963	402,846	4,093
1998	64,878	4.0%	12,021	98	2.0%	1,621,874	407,779	4,933
1999	65,678	4.0%	12,157	136	2.6%	1,654,007	412,928	5,149
2000	67,168	3.9%	12,366	209	3.5%	1,709,434	418,949	6,021
2001	67,600	3.9%	12,494	128	2.0%	1,741,100	425,230	6,281
CAGR *	1.14%		1.13%	132 (Average)		1.88%	1.48%	5,785 (Average)





Note: *CAGR - Compounded Annual Growth Rate
Source: Economics Research Associates and California State Department of Finance

New Single Family (SFD) housing units in the City of Chino has grown at approximately 1.13 percent during the 1990-01 period (according to the California Dept. of Finance Estimates), which is marginally lower than the population growth rate. The share of SFD units in Chino has remained at an average of a little over 2 percent of countywide new units in the 1990-01 period. On an average, 132 units have been added annually to the City's SFD inventory during this period. The accompanying graph shows that SFD homes in Chino have followed a 3 to 4 year cycle. The upswing in SFD construction that started at the end of 1997 continues to be experienced in 2000. The 2000 census reports that approximately 68.7 percent of the occupied housing units are owner occupied. It should also be noted that a significant share of the total population in the City of Chino are CIM facility inmates. According to the 2000 census, 11.4 percent of the total population (7,634 persons) is institutionalized. This compares to only 1.6 percent institutionalized population countywide.

The above statistics suggest that although residential development cycles in Chino have been fairly consistent during the 1990-2001 period, the number of dwelling units being added annually has been relatively low compared to other communities in the Inland Empire. However, it should be kept in mind that these relatively low residential absorption rates are more likely an outcome of supply side constraints in the form of limited developable residentially zoned land, than the lack of residential demand. The City core has been mostly built out with very little opportunity for newer, moderate to large residential development projects. Most of the vacant land along Edison and further south has been set aside (and is being absorbed) for industrial development. The very few new residential projects developed in Chino during the last 2 or 3 years are relatively small and have mostly been located in infill sites in the south/southeast portion of the City. Hence any relief of these supply constraints will most definitely boost the current absorption trends significantly. This is not to say there are no competitive pressures on the residential market. Chino Hills continues to be one of the most desirable communities in the region primarily due to its topography, collective residential amenities and image. Rancho Cucamonga, Fontana and Ontario have experienced accelerated residential absorption in the last few years, and are being identified as prime 'move-up' communities servicing the 'airport core' employment center. However the continuing dairy conversions to the west of Chino and annexations to the south offer new opportunities for residential development in the area. In fact, the Sub-area I, II and the CIM site offer tremendous potential for residential development in view of their regional location, proximity to employment centers, freeway access and prime residential amenities.

AGE AND ETHNICITY

The City of Chino has a median age of 30.9 years according to the 2000 census. This is marginally higher than the countywide median age of 30.3 years. The share of school age children aged 5-19 years account for 25 percent of the total population in Chino, compared to the countywide share of 27.2 percent of the same age cohort. The largest age cohort in Chino is comprised of the 25-44 years group accounting for 34.2 percent of the total population. Chino also has a significantly lower share of elderly population compared to the county as a whole. Only 5.8 percent of Chino's population fall in the 65+ years group compared to 8.6 percent in the county as a whole.

In terms of ethnicity, the City of Chino has a higher percentage of Hispanics and lower percentage of Asians compared to 5-County Southern California region. Hispanic population in Chino accounts for 47.4 percent of the population while they account for 39.2 percent and 40.3 percent of the in San Bernardino County and the 5-County Southern California region respectively. Chino also has a higher share of Asian population compared to Pomona and San Bernardino County as a whole. Neighboring Chino Hills on the other hand has the opposite pattern with only 25.8 percent of its population comprised of Hispanics, and 22.1 percent comprised of Asians, which is more than double the 5-County Southern California region. Table II-5 presents ethnic distribution in Chino and surrounding communities as reported by the 2000 census.

EMPLOYMENT GROWTH

Table II-6 displays historical non-farm employment trends in the PMSA by major industry groups during the 1990-2001 period. It should be kept in mind that this is employment by 'place of work'. Historically the region has experienced strongest growth in the areas of construction (4.4 percent) and services related employment (4.3 percent) followed by the transportation communication and utilities sector (3.9 percent) and the wholesale trade sector (3.8 percent). The manufacturing sector grew at an average annual rate of 3.5 percent during the same period, while the finance, insurance and real estate sector grew at an average annual growth rate of 0.9 percent. The overall average annual non-farm employment growth in the Riverside San Bernardino PMSA during the 1990-2001 period was 3.4 percent. As shown in the attached graphic, employment growth in the region has been significant since 1995, after the recession years of the early 90s. Overall average annual non-farm employment growth in the PMSA was 4.7

Table II-5
ETHNICITY BY COMMUNITY

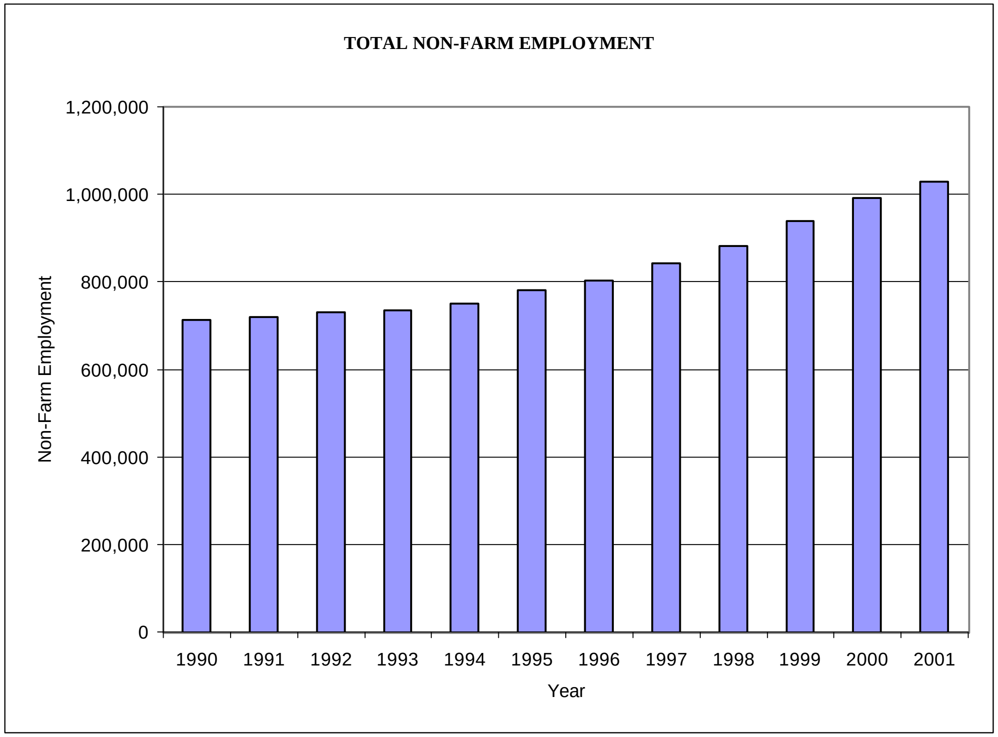
Community	Total Population	White	Black	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Other	Two+ races	Hispanic or Latino[1]
		Percent of Total							
Chino	67,168	55.7%	7.8%	0.9%	4.9%	0.2%	25.6%	4.9%	47.4%
Chino Hills	66,787	56.4%	5.5%	0.6%	22.1%	0.1%	10.6%	4.7%	25.7%
Ontario	158,007	62.0%	6.4%	0.9%	7.5%	0.3%	17.5%	5.3%	35.7%
Pomona	149,473	47.8%	7.5%	1.1%	3.9%	0.4%	34.1%	5.3%	59.9%
Corona	124,966	41.8%	9.6%	1.3%	7.2%	0.2%	34.9%	5.0%	64.5%
San Bernardino County	1,709,434	58.9%	9.1%	1.2%	4.7%	0.3%	20.8%	5.0%	39.2%
5-County Southern California	16,373,645	55.1%	7.6%	0.9%	10.4%	0.3%	21.0%	4.7%	40.3%

[1] As of Census 2000, Hispanic or Latino is an ethnicity classification and may include any race

Source: 2000 U.S. Census and Economics Research Associates

Table II-6
Non-Farm Employment Trends By Major Occupational Groups in Riverside-San Bernardino PMSA

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	CAGR* 1990-01	CAGR* 1995-01
Mining Employment	1,300	1,300	1,300	1,200	1,200	1,100	1,200	1,200	1,000	1,000	1,000	1,200	-0.7%	1.5%
Manufacturing Employment	85,800	81,700	86,800	86,100	88,400	94,400	99,200	104,800	111,400	117,800	124,400	124,800	3.5%	4.8%
Finance, Insurance and Real Estate Employment	30,500	31,000	31,500	32,000	31,100	29,400	29,600	29,800	30,600	31,900	31,700	33,800	0.9%	2.4%
Construction Employment	54,100	43,700	40,400	37,500	40,300	43,100	46,200	52,100	60,800	70,800	78,300	86,600	4.4%	12.3%
Transportation, Communication and Utilities	34,300	34,500	36,400	37,200	39,100	40,800	41,100	42,500	45,700	49,100	51,000	52,300	3.9%	4.2%
Retail Trade Employment	151,600	156,700	157,700	162,700	164,500	170,000	172,600	177,800	181,000	188,500	198,400	208,300	2.9%	3.4%
Wholesale Trade Employment	32,800	32,100	31,500	31,900	33,700	35,900	37,500	40,200	42,200	45,200	48,500	49,400	3.8%	5.5%
Services Employment	172,100	182,700	186,500	189,600	195,200	202,600	208,700	221,500	234,900	251,500	266,800	272,100	4.3%	5.0%
Government Employment	150,200	155,100	157,500	155,600	157,800	162,600	167,300	171,600	174,700	183,100	191,600	200,700	2.7%	3.6%
TOTAL NON-FARM EMPLOYMENT	712,600	718,800	729,600	734,000	751,300	779,900	803,500	841,400	882,200	938,900	991,500	1,029,100	3.4%	4.7%



CAGR: Compounded Annual Growth Rate
Source: California Employment Development Department and Economics Research Associates

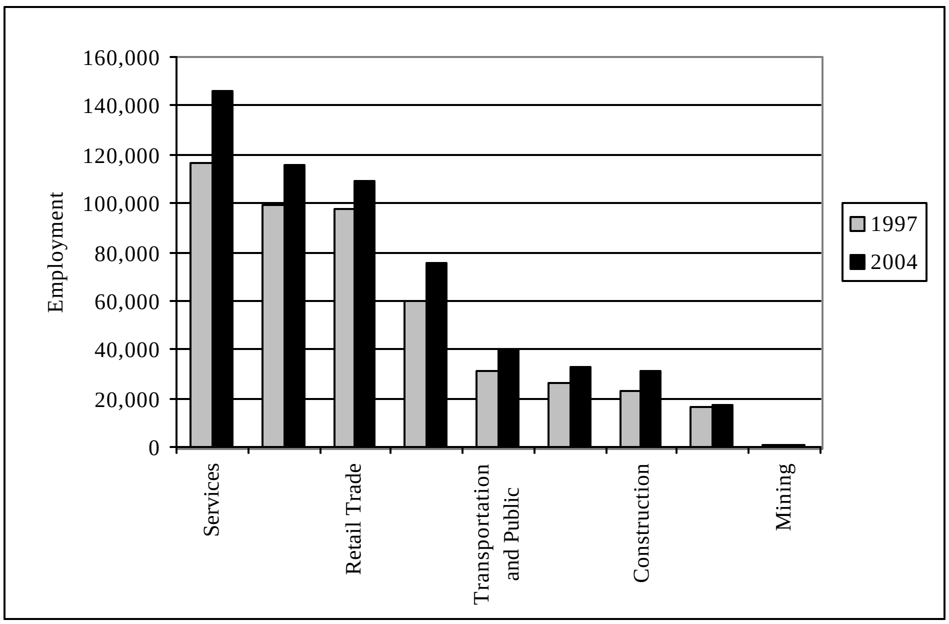
percent during the 1995-01 period. The strongest growth was in the Construction sector, which grew at a phenomenal rate of 12.3 percent annually during this period.

Sectoral employment (by place of work) projections in San Bernardino County, by the California Employment Development Department (EDD) for the 1997-2004 period are exhibited in Table II-7. According to these projections, construction related employment (+34.5 percent), followed by Transportation, Communication and Public Utilities (+30.1 percent) and manufacturing (+26.1 percent) are expected experience the strongest growth in the near future. Increased construction employment is an indicator of related real estate development, and most growth in this sector is expected to result from new residential construction throughout the region. On the other hand, the continuing evolution of the Inland Empire as a transcontinental hub with the intersection of multi-modal transportation corridors including rail (UPRR, Santa Fe), Air (Ontario airport and multiple reuse opportunities from base closures) and road (I-10, I-15, I-215,SH-60, RTE-71) networks, is expected to significantly boost Transportation related employment. The Transportation and Public Utilities Sector (TCPU) is projected to grow by 30 percent in the County during the 1997-04 period. The Manufacturing sector is also projected to grow significantly as a result of manufacturing establishments locating in the region due to various location and cost advantages. Finally, an increase in the resident population usually increases demand for both personal and professional services resulting in renewed growth of this sector. It should be kept in mind that construction growth is cyclical and the projected surge could be a short-term phenomenon, while the long-term regional economic sustainability will be dependent on permanent job creating sectors like manufacturing and TCPU.

Table II-7
Employment Projections by Industry, 1997-2004
San Bernardino County

Industry	Annual Averages[1] 1997	2004	Absolute Change	Percent Change
Total Nonfarm	470,500	569,600	99,100	21.1%
Goods Producing	84,100	107,800	23,700	28.2%
Mining	*800*	*800*	*0*	*0.0%*
Construction	*23,200*	*31,200*	*8,000*	*34.5%*
Manufacturing	*60,100*	*75,800*	*15,700*	*26.1%*
Service Producing	386,400	461,900	75,500	19.5%
Transportation and Public Utilities	*30,900*	*40,200*	*9,300*	*30.1%*
Wholesale Trade	*25,900*	*33,200*	*7,300*	*28.2%*
Retail Trade	*97,700*	*109,200*	*11,500*	*11.8%*
Finance, Insurance, & Real Estate	*16,300*	*17,400*	*1,100*	*6.7%*
Services	*116,200*	*146,400*	*30,200*	*26.0%*
Government	*99,400*	*115,600*	*16,200*	*16.3%*

1. Employment and projections contained in these tables are considered estimates. These data are based on 1987 Standard Industrial Classifications. Annual average industry detail may not add up to totals due to independent rounding.



Source: Employment Development Department

Section III

RESIDENTIAL MARKET REVIEW

A residential market study and residual land valuation analysis was carried out in early 2000 and updated in mid 2001. As the results are out of date these portions of the report have been deleted.

Section IV

RETAIL MARKET POTENTIALS

INTRODUCTION & BACKGROUND

This section presents an overview of retail use potentials at the CIM site, in view of the new residential development in conjunction with a community college campus adjacent to it.

The planning concept is to locate the retail in the "Village Center" that would be located at the "confluence" of the college, the expanded 145 acre regional park and the denser residential component of the plan. The Village Center will be at the geographic center and visual focus of the project and at the intersection of the project's arterial roadway, about 1/4 mile south of Edison Avenue. Further, the center will be connected to the project's network of bikeways and trails.

The first part of this section presents a qualitative analysis of the potential impacts of a college campus, based on a survey of campus facilities conducted by ERA. The second part presents a quantitative analysis and estimates of potential retail space that can be supported at the CIM site, including an overview of competitive pressures, product type and demand.

COMMUNITY DEVELOPMENT AND EDUCATION

It is evident that oncoming population and household growth in the Inland Empire region will trigger efforts among the communities of the region to consistently and proactively work towards jobs/housing balance issues (some of which are already underway), which will include:

- Employment attraction and retention
- Job training
- Improvement of employment quality by increasing skill levels of residents
- Facilitate business skills and growing ‘jobs at home’ trends
- Sustain high ‘quality of life’ standards

This clearly suggests an important role to be played by both public and private educational institutions of the region, in order to enhance sustainable economic development and improved quality of life. It is also clear that demands on the college district will increase significantly in terms of service capacity and the nature of skills and training offered.

In view of the oncoming demand, Chaffey College is planning a new campus in the southwestern portion of the district as a part of their master planning efforts. The college is currently discussing locating the new campus on the CIM site, by virtue of the site's location and access advantages.

ERA's observations suggest that there are several advantages in locating a college campus within the CIM community:

- The presence of an educational campus with 16,000+ students and 1,500+ faculty/staff will generate demand that can support the development of new retail/commercial space. This will be in addition to the retail demand generated by the proposed residential uses.

- Mix of retail, commercial, public uses bringing together students, faculty, neighborhood residents, and other community members creating a 'town center' environment, active during the day as well as in the evenings, with a focus on education.

- Opportunities for the resident population to enhance their job skills via a range of training programs offered in the college, further strengthening the relationship between the educational and residential components of the land use mix.

- Development of cultural and recreational uses serving multiple market segments (students, neighborhood residents).

CONTEMPORARY CONDITIONS

The CIM site falls under the Chaffey College District, serving most of western San Bernardino County, including the communities of Chino, Chino Hills, Fontana, Guasti, Montclair, Mt. Baldy, Ontario, Rancho Cucamonga, and Upland. Currently the main campus of the district is located in the City of Rancho Cucamonga, with additional learning and information centers located in the cities of Chino, Ontario, and Fontana. The entire college district serves an area with a population of approximately 650,000± people. The Chaffey College district encompasses four school districts that serve high school students, namely - the Chaffey Joint Union High School, the Chino Unified School District, the Fontana Unified School District, and the Upland Unified School District. The current enrollment of Chaffey College is approximately 16,200± students with a full time faculty of approximately 540± members. ERA estimates total college district employment is approximately 1,500± employees, if one includes all other staff and adjunct faculty members.

PRELIMINARY OVERVIEW OF COMPARABLE COLLEGE CAMPUSES

ERA conducted a survey of comparable college campuses in the region to better understand the characteristics of retail activity associated with such campuses. During the survey, ERA put special emphasis on the size and potential intensity of food service, bookstores, and any other retail typical of institutional uses. The following is a summary of ERA's survey findings.

1. El Camino Community College

El Camino College was established in the late 1950s and is today one of California's leading community colleges, located between the higher income coastal areas and the moderate and lower income areas of South-Central Los Angeles County. The total student enrollment is 24,000, with a full-time faculty of 600 and a part-time faculty of approximately 300, plus several hundred other staff.

The principal commercial/food service areas at the El Camino campus include the following. All areas noted are approximations.

- The cafeteria building of 6,000 square feet plus 3,000 of meeting rooms, in the west-central portion of the campus.

- The 6,000-square-foot bookstore is located on the ground level beneath the cafeteria.

- A 1,000-square-foot convenience/food market located adjacent to the bookstore.

- 400-square-foot delicatessen/sandwich outlet with outdoor patio seating for up to 60 persons, in the center of the campus.

- A coffee cart with muffins and fruit with seating for 30 persons at the east-central portion of the campus, adjacent to a room with approximately 10 vending machines and microwave, which is popular for reheating brown-bag food.

- A similar coffee/snack truck/kiosk with two adjacent vending machines.

- Another vending machine room with eight machines, including a microwave.

- Two other vending machine locations, each with three to four machines.

- The Student Activities Building of 7,000 square feet, includes several vending machines, but no other significant food or commercial service.

In addition, Marcy Auditorium is a major cultural and entertainment venue for the South Bay, and the football stadium, planetarium, art exhibits, and other activity centers draw substantial visitation from the regional resident population. However, as a commuter campus, on-campus food services are not heavily utilized. Also, adjacent to the campus to the east across Crenshaw Avenue are several fast-food and informal sit-down restaurants and strip commercial centers. These are supported primarily by the regional commercial, passing by, and residential markets, but they also serve and attract patronage from the El Camino population.

2. Santa Monica College

Located in the City of Santa Monica in western Los Angeles County, Santa Monica College has emerged as one of the leading community colleges in the nation. Its relatively dense 'urban' campus, encompassing approximately 40 acres of land, hosts about 28,000 enrolled students. The college was established in 1929, and has a full time faculty of 1,200 members, with an additional 1,500 staff, part-time and adjunct faculty members.

The college's reputation and transfer rates to leading universities attract a sizeable international student population. Though the college itself is not residential, many of the international students take up rental accommodation in the residential areas in the vicinity of the campus.

The campus is accessible by the I-10 freeway and lies to its south, bounded by Pico Boulevard to the north, Pearl Street to its south, 20th street and 16th street to the east and west respectively. The principal commercial and food service on and off campus included the following:

- The bookstore and cafeteria are centrally located in the Cayton Center.

- The 5,000+s.f. bookstore, at the northwest corner of the Cayton Center caters mainly to students and provides student supplies, books and course readers.

- The 18,000+s.f. cafeteria is mostly occupied by a large dining hall with seating for 500+ students.

- Besides 13 vending machines, the cafeteria includes:

  - A ‘Fresh & Natural’ deli/market – 900s.f.

  - ‘Bread Factory’ – 450s.f. (counter service)

  - Carl’s Jr. – 400s.f. (counter service)

  - TCBY – 300s.f. (counter service)

- The ground level of the Cayton Center also includes Study Rooms, restrooms, and other service areas. Student service offices, more study areas and computer labs occupy the upper level.

- Both the cafeteria and the bookstore are very active during regular school hours.

- Outdoor seating and lawns on both sides of the Cayton Center offer significant spill out of activities from the food service areas.

- In addition to the above the campus has a dozen other vending machines, mostly concentrated in the open space and seating area adjacent to the African American Collegiate Center.

- There is a Starbucks kiosk serving the Technology Building

- Another 400s.f. food service counter is under construction, adjacent to the admissions center.

- The following off campus retail and food service facilities are located within walking distance (mostly on Pico Boulevard)

    - ‘Subway’ at Pico and 18th Street seating 35-40 persons

    - ‘Abbot’s Pizza’ at Pico and 18th Street seating 20-25

    - ‘Burger King’ at Pico and 20th Street

    - ‘Foster’s Freeze’ at Pico and 16th Street

    - Pico Center a strip mall at Pico and 17th street includes three other dining facilities, a liquor store, a meat market (carniceria), a ‘Chex Cashing’, and a Cellular phone store.

Overall the Santa Monica College campus is a vibrant activity center. The concentration and intensity of retail/commercial activity at this campus is relatively higher here compared to other suburban locations due to its high enrollment and student volume, urban location and a relatively higher share of non-commuting students.

3. Pierce College

Pierce College is located in the Woodland Hills community of the San Fernando Valley and is bordered by Winnetka Avenue on the east, Victory Boulevard on the north, De Soto on the west and Oxnard Street on the south. The college is surrounded by single-family homes in attractive neighborhoods.

The commercial/food services on the campus include the following:

- The main cafeteria called Pierce Cafeteria of approximately 4,000 square feet, which includes indoor and outdoor seating and a vending machine area, along with a full-service cafeteria. The hours of this establishment are Monday through Thursday, 6:45 a.m. to 8:00 p.m., and Friday, 6:54 a.m. to 2:00 p.m. It also offers an ATM machine and arcade-style video machines.

- About 100 yards east of the cafeteria at the west corner of the library building is a vending machine room with soda, coffee, sandwiches, muffins, and snack foods. It also has a microwave oven.

- On the east corner of the library is a snack stand called the Coffee Break which offers sandwiches and other short-order items. There are also adjacent vending machines that offer drinks only.

- Next to the library on the east is the student store, which offers standard items like textbooks and other stationery items, plus snack foods like chips, candy, gum, etc. on the order found at the checkout stands in drugstores.

- There are also two other areas where vending machines can be found – at the administration building and at the gym. These machine areas are similar to each other, in that they offer the usual fare of coffee, sodas, snack foods, and microwave.

- There are no freestanding kiosks on the campus of Pierce College.

There is ongoing construction on campus, which looks like a new wing, to be opened possibly for the 2002-2003 school year.

Many students stop at the Starbucks coffee shop at the corner of Winnetka and Ventura Boulevard before school, and bring coffee onto the campus from there.

Other food venues surrounding the campus are sparse. Along Victory to the west of the campus, at the corner and just west of De Soto there are a few eateries – Mr. Sushi, Bagel

Exchange, Caribbean Cuisine, and Weiler's coffee shop style restaurant. Further west on Victory, about 1.5 to 2 miles from Pierce College is Topanga Plaza, a regional mall which includes a food court and other restaurants. And, as mentioned earlier, Ventura Boulevard is about a mile south of the campus, and offers a plethora of commercial shops and restaurants.

Directly east across Winnetka from Pierce College is the West Valley Occupational Center. All other surrounding arteries that border Pierce College include single-family upscale residential neighborhoods, a Little League field, and open land.

4. Los Angeles Valley College

Los Angeles Valley College is a part of the Los Angeles Community College District and is located in the community of Valley Glen in the San Fernando Valley. The college is bounded by Fulton on the west, Burbank Boulevard on the south, Coldwater Canyon Avenue on the east, and Oxnard on the north. The college was established in 1949 and has a current enrollment of approximately 18,000 students, with 510+ full time faculty members.

The surrounding area of the campus is largely multi-family residential with very little commercial/food activity. At the corner of Burbank and Woodman, about a half-mile off campus, is a pizza restaurant. Closer to the campus, at the corner of Fulton and Burbank, there is a donut shop, a Green Cactus Mexican food, Subway sandwich shop, a Latino market called The Real Market "Su Mercado Latino," and a falafel stand.

On campus food service includes the following:

- The main cafeteria of about 2,000 square feet on the east side of the main quad of the campus. This offers indoor and outdoor seating. It has a full-service cafeteria inside, configured in a food court design with Hot Stuff Pizza, Eddie Pepper's Mexican food, Smash Hit Subway sandwiches, and Mean Jean's Burgers, along with e assorted cereal, chips, donuts, drinks, and the like.

- There is an outdoor seating area near the cafeteria that is designed for special events only.

- Adjacent to the Behavioral Sciences building south of the quad and down an outdoor hallway, there are five tables set up for a vending machine area, offering the usual foods – coffee, sodas, snack foods, and a microwave oven.

- All throughout the campus are situated side-by-side Pepsi and Aquafina water vending machines.

- There are no freestanding kiosks on the Valley College campus. Food service is very limited, confined to the cafeteria and the one vending area.

The only convenient off-campus food services outlets are as mentioned earlier at the corner of Fulton and Burbank.

5. University of Southern California (USC)

The USC, University Park campus is located south of Downtown Los Angeles, and is bounded by Jefferson Avenue on the north, Exposition on the south, Figueroa on the east and Vermont on the west. The dense campus occupies approximately 300 acres of land, and has a student body of approximately 30,000+. USC also has a separate Health Sciences campus, which is not included in this survey.

The retail commercial activity of this campus can be broadly summarized as follows:

- USC's main bookstore located adjacent to the Student Union building in the center of the campus. The 4-level bookstore occupies 60,000+s.f. The ground level includes general books and other printed matter, computers and related merchandise are located on the 2nd level, and the 3rd level includes course readers and textbooks. The basement includes University Franchised merchandise.

- The campus has 13 retail dining facilities on campus at three primary locations:

  - Commons (at the Student Union): Upstairs Café, Wolfgang Puck, Betty Crocker, Common Grounds, Carl's Jr. Colombo Yogurt. This area includes both indoor (15000+s.f.) and outdoor seating. This are also includes microwaves for 'brown bag' meals.

- The Grill (Student Union Basement): La Salsa, Rice Garden, Rotisserie Chicken, Salad Bar. This area has indoor seating capacity of 200. Game rooms and recreation rooms are located adjacent to this dining facility.

- Cafe 84 (King Hall on the north side of campus): Jamba Juice, Rice Garden, Krispy Kreme located adjacent to a dinning hall seating 350-400, along with microwaves for brown bags.

• There is a full service Starbucks located on the northwest side near the Leavey Library and residence halls. A number additional Starbucks service carts located around the campus.

• In addition dining services are offered in some of the 44 residence halls and university run apartments located on or near the University Park Campus.

• The University Village shopping center anchored by the 32nd Street Supermarket and a 6-screen theater is located on the north side of the campus at Jefferson and Hoover. The 200,000s.f. center (approximately 15 acres) also includes a Denny's, a food court, banks, and other retail and student services. The university purchased the center in 1999. Though both resident and commuting students patronize the center, a large portion of its patrons include other area residents.

• A shopping center anchored by a Smart and Final is located on Vermont Ave. west of the campus. Another shopping center anchored by a Ralph's supermarket is located about a half mile north of the campus at the corner of Vermont and Adams. Both have at least one take out/fast food dining facility. Patronage is divided among area residents and resident students. Other strip retail centers and fast food restaurants are located along Figueroa north of Jefferson.

A large proportion of USC students are commuters, but most of the international students, members of the 32 fraternities and sororities, and students in residence halls account for a significant resident student population in the vicinity of the campus. In spite of this, majority retail support for the off campus shopping centers comes from area residents.

6. The University Union, California Polytechnic University, Pomona

California Polytechnic University in Pomona is located just south of the I-10 freeway and west of the 57 freeway. The Kellogg Dr. exit from the I-10 freeway as well as Temple Ave. exit from the 57 freeway provides direct access to the campus. More educational facilities are in the immediate surrounding community, with the Devry Institute of Technology, Computer Education Institute, and other office space northeast of the campus in the Corporate Center. Mount San Antonio College is southwest of the campus. Some support retail is located at the corner of Grand and Temple Ave, just past Mount San Antonio College, with the rest of the surrounding area made up of residential communities.

The University Union serves as a central gathering place for Cal Poly's estimated 18,500 students, 1,200 faculty, staff, alumni and visitors. The University Union currently consists of one 2-story building, which houses 5,854 sq.ft. of conference and meeting rooms, a Round Table Pizza and Stuffed Sub, a credit union, ticket office, copy shop, a 10,000 sq.ft. game room which offers pool tables, over 30 top-rated video games and ping-pong tables, a TV lounge, a 6,800 sq.ft. art gallery and Arabian horse library, and a small fitness center, as well as the Associated Students, Incorporated (ASI) business and administrative offices.

The University Union is currently undergoing an $18.8 million dollar expansion, which is expected to be completed by January 2003. When completed, the new University Union will include a 10,000 sq.ft. state-of-the-art mall-style food court, an 11,000 sq.ft. two-story fitness center, a large multi-purpose room to seat 800, a theater, more meeting rooms, and new commercial lease areas. The expansion will add a total of 56,000 sq.ft., bringing the total amount of space to over 120,000 sq.ft.

7. The Claremont Village, Claremont Colleges

The seven colleges that make up the Claremont Colleges are located South of Foothill Blvd. and West of Claremont Blvd. in the City of Claremont. It can be accessed from the Indian Hill Blvd exit from the I-10 freeway. The largest of the colleges, Claremont-McKenna, has approximately 1,000 students and 140 faculty. Each of the rest of the colleges have less than 1,000 students. Retail within the campuses consists of snack bars and two small café/snack shops at the Pitzer College, and the central Bookstore located at the Claremont University Consortium.

The Claremont Village is located west of Pomona College, and consists of nine blocks from First Street to the South, Fourth Street to the North, Indian Hill Blvd to the West, and College Ave to the East. The area consists of antique and gift shops, specialty retail and apparel shops, public, personal and business services, bookstores, and an array of restaurants. According to a parking study done by the City's Redevelopment Agency, there is approximately 142,900 sq.ft. of service space, 88,460 sq.ft. of retail space, 41,215 sq.ft. of restaurant space, and 183,760 sq. ft. of office space throughout the village. First Street is home to the multi-modal Transit Center, which has the Claremont Depot, Metrolink, Pomona Valley Transportation authority, and Foothill Transit. Mixed-use buildings line the south side of the street.

The streets are well landscaped and have a 'University Town' character. The architecture of the buildings is a mix of older restored buildings, colonial Spanish style, as well as new contemporary buildings. Most of the shops are patronized by the resident community with selective retail targeted towards students. These include Rhino Records, Video Paradiso, and Bud's Bike Shop.

8. Coastline Community College

The first Coastline Community College was established in 1968, and has grown to include four community-based centers as well as other instructional sites throughout the communities within the Coast Community College District: Costa Mesa, Huntington Beach, Newport Beach, Garden Grove, Seal Beach, Westminster, and Fountain Valley. The main learning centers are located in Fountain Valley, Costa Mesa, Garden Grove and Huntington Beach, with additional instruction sites also located in Newport Beach, Seal Beach, and Westminster.

The total student enrollment throughout the four centers averages approximately 12,000 per semester.

There is a limited offering of food service/retail areas throughout all of the campuses. The Coastline College Center, located on Warner Avenue in Fountain Valley, consists of one four-story building of approximately 25,000 square feet. It is mostly an administration building, but has a bookstore currently located on the fourth floor. The bookstore is 3,700 square feet, but will soon be moving to a 6,000-square-foot location on the first floor.

As for the other campuses, the only other location that has any food service/retail is located at the Garden Grove location. It has a small convenience store which carries school supplies, novelty items, and snacks.

Directly behind the Fountain Valley location are upscale one-story office buildings. Directly across Warner Avenue are lower income apartments, townhomes, and single-family residential.

9. Saddleback Community College

Saddleback Community College is located within one of the higher income areas of Orange County, in the City of Mission Viejo. Established in 1968 and located between Marguerite and Avery Parkways, it is one of the largest campuses in California with a campus size of approximately 200 acres. The total student enrollment is 23,200, with a full-time faculty of 219 and a part-time faculty of 493.

The food service/retail areas at the Saddleback campus includes the following:

- The two-story Student Services Center located on the north end of campus. It has a small bookstore, approximately 4,000 square feet, located on the first floor.

- The second floor has an approximately 7,000-square-foot cafeteria which consists of a food section offering different types of food, a salad bar, a checkout register, and seating for up to 150.

- Across from the Student Services Center in the Business building there are several vending machines

- A 10-foot-long coffee cart offering coffee, sandwiches, hot dogs, pretzels, as well as packaged snacks with two tables in the west-central portion of the campus.

- Within the library hallway, adjacent to the coffee cart, are four vending machines offering hot coffee, chips, soda, and water.

- Two other vending machine locations, each with three to four machines.

Adjacent to the campus on Marguerite Parkway, directly across from the Marguerite Entrance, is a strip mall offering much more selection and services to the commuter students as well as the surrounding community. There are several fast foods as well as sit-down shops and restaurants, including a Denny's and In 'n Out. There are also service stores such as a photocopy and cigar shop. Directly across the campus to the north, at College Drive Entrance, is an office space that is primarily used for medical offices.

Also located northwest of the campus, but not in the immediate area, is Mission Viejo Mall, a large mall with anchors Nordstrom, Saks Fifth Avenue, and Robinson's May. To the east of campus is a large portion of relatively undeveloped land. Other surrounding land uses include some high-income residential.

Findings and Relevant Issues

1. Non-residential campuses have a significantly lower retail impact compared to larger residential campuses.

2. Community college campuses, especially suburban campuses, tend to be more commuter oriented, and the intensity of associated retail/recreational activities is not very high. This, however, could vary depending on the retail use mix, access, design and a range of physical planning features.

3. On campus retail is limited to a bookstore and food services. Off campus retail targeted towards students is mostly food service and some convenience shopping. Community retail in close proximity to college campuses does not depend primarily on demand generated by students, but is also patronized by area residents.

4. The nature of educational programs (technical Vs. non-technical) will dictate the potential for attracting employers to the vicinity of the campus.

5. Larger share of international students in community college programs can support some residential and retail uses.

6. The final design of the "Village Center" retail and its integration and accessibility from the college, the residential and the regional park will be key to its success.

RETAIL MARKET OVERVIEW

Chino currently has 10 multi-tenant shopping centers with a total of approximately 1.84 million s.f. Of these the Chino Spectrum Marketplace and the Chino Town Square Shopping Center (towards downtown) are the only two regional centers. Of the remaining, three are community centers and the remaining are neighborhood centers. Table IV-1 presents the current inventory of multi-tenant shopping centers in Chino as per the National Retail Board's 2001 Shopping Center Directory.

Table IV-2 presents taxable retail sales per capita in constant year 2000 dollars in the City of Chino and some of it's neighboring communities from 1995 through 2000. In absolute terms, taxable retail sales per capita in Chino has been significantly higher than most of it's surrounding communities as well as the countywide averages. Among its neighbors, Ontario is the only community comparable to Chino in terms of per capita retail sales. Growth of per capita taxable retail sales in Chino has been moderate with 38 percent in absolute terms and 7 percent on an average annual basis during the 1995-2000 period. Though most of the City's current regional retail needs are fulfilled by the presence of larger regional centers in the market area (like Ontario Mills, Brea, Puente Hills etc.), there is demand for community level retail serving products, especially in view of the oncoming residential growth to the south and east. ERA understands that a number of parcels to the west of the CIM facility, with frontage along the 71 Freeway, are being marketed as potential retail/entertainment/commercial development sites. Majestic Realty is also developing a Big-Box retail center along Ramona Avenue, across the Chino Spectrum center.

SUPPORTABLE RETAIL SPACE ANALYSIS

ERA has delineated four distinct market based on factors such as competitive advantages/disadvantages of the location, regional freeway access, potential uses and available space, and geographic and psychological. The resulting markets are primarily based on distances from the CIM site. The area covered by a 0-1 mile ring from the site is defined as the primary neighborhood market, a 1-2 mile ring from the site is defined as the secondary neighborhood market, a 2-5 mile ring is defined as Chino area market and finally a 5-10 mile ring is defined as a Regional market.

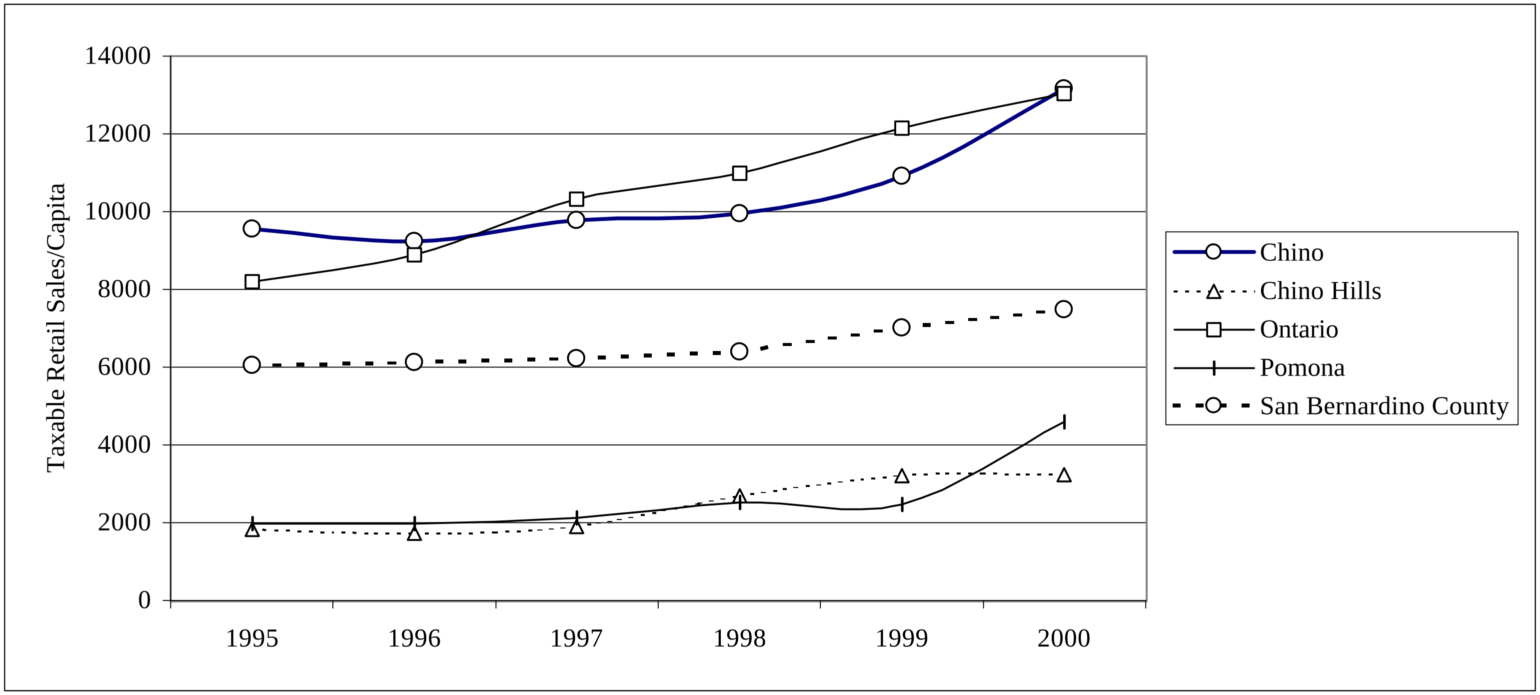
Table IV-1
Retail Center Characteristics in Chino

Name of Retail Center	Location	Type	GLA w/ Anchors	Anchors
Chino Spectrum Marketplace	NEC 71 Freeway and Grand Ave.	Regional	594,811	Target, Staples, Chick's Sporting Goods, Food 4 Less, LA Fitness, Ross, SoCal Cinemas, Old Navy, Michaels
Chino Town Square Shopping Center	Philadelphia St. and Central Ave.	Regional	525,611	Target, Mervyn's, Sam's Club, Nordstrom Rack
County Fair Shopping Center	NEC Central Ave. and Philadelphia St.	Community	211,750	Albertson's, Rite Aid, Stapes, T.J.Maxx, PetSmart
Chino Town Promenade	Philadelphia St. & Vernon	Community	138,244	Blockbuster, Cinemark Theatre, Firestone Tire, Olive Garden, Pier 1, 24 Hour Fitness
Chino Towne Center	60 Fwy. And Central	Community	110,000	Millers Outpost
Mountain Village Plaza	NEC Riverside and Mountain	Neighborhood	82,424	Food 4 Less
The Chino Mall	12130-12204 Central Ave.	Neighborhood	82,120	Ralph's Grocery, Sav-On Drug
Chino Marketplace	Hwy. 71 and Eucalyptus	Neighborhood	65,000	
Chino Hills Plaza	14500-14660 Pipeline Ave.	Neighborhood	33,500	
Chino Valley Shopping Center	NWC Central Ave. and Walnut	Neighborhood	-	Food 4 Less, TG & Y
TOTAL			1,843,460	

Source: Economics Research Associates and National Research Bureau Shopping Center Directory

Table IV-2
Taxable Retail Sales Per Capita (Constant 2000 Dollars)
1995-1999

City/County	1995	1996	1997	1998	1999	2000	% Growth 1995-00
Chino	$ 9,559	$ 9,233	$ 9,769	$ 9,949	$ 10,910	$ 13,157	38%
Chino Hills	1,829	1,731	1,897	2,694	3,207	3,237	77%
Ontario	8,199	8,893	10,311	10,977	12,156	13,030	59%
Pomona	1,970	1,972	2,121	2,527	2,461	4,593	133%
San Bernardino County	**$ 6,059**	**$ 6,129**	**$ 6,217**	**$ 6,404**	**$ 7,012**	**$ 7,489**	**24%**



Source: California State Board of Equalization, California Dept. of Finance, Economics Research Associates

The characteristics of these market areas are presented in Table IV-3. It is important to note that the Market Area estimates are extracted from secondary data provided by CACI Inc., and there might be dissimilarities of this data to other sources (such as the Dept. of Finance or SCAG). As such, direct comparisons of the absolute numbers in these data sets should not be made to data from other sources. However, these give us a fair estimate of shares, demographic distribution patterns and short-term growth patterns of the defined markets. Also these do not include specific residential growth attributed to potential developments in the CIM site or the Subareas I and II. The Preserve project proposed by Lewis Homes includes 25 acres of commercial development on-site.

Based on the above estimates ERA assumes that any potential retail development on the CIM site will be at a neighborhood scale and will not compete with the regional/power centers in the vicinity. It will serve the 'primary' and 'secondary' neighborhood markets within 2 miles of the CIM site and fulfilling the day-to-day retail needs of the new residential communities on the CIM site, students from the proposed college campus, and area employees. Preliminary supportable space estimates presented in Table IV-4 show that there will be near-term potential demand to support approximately 122,000± s.f. of retail space on the CIM site.

Though site constraints in terms of, access, and possible alternative locations, somewhat limits the potential for a neighborhood center on-site, a modest shopping center anchored by a supermarket/grocery store with some dining and services is feasible. As the primary market of this center will be residents from the new development, students, and other neighborhood residents within 2 miles, a supermarket anchor is essential in order to make the center feasible from the market perspective. A more detailed discussion of this issue follows.

SUPERMARKET DEMAND

To more precisely evaluate market potentials for a major supermarket on the site, the number of individual housing units in the primary market area were counted from aerial photographs, assuming a site location south of the intersection of Magnolia Street and Edison Avenue.

Table IV-3
Chino: Profile of Potential Market Areas

	0-1 Mile		1-2 Mile		2-5 Mile		5-10 Mile		Total Market Area	
Population										
2000	6,032		21,777		157,542		644,473		829,824	
2005	6,200		23,041		169,535		693,354		892,130	
% Growth	2.7%		5.5%		7.1%		7.0%		7.0%	
Persons in Group										
Quarters	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
2000	3,991	66%	4,766	22%	2,520	2%	17,817	3%	29,094	4%
Households										
2000	609		4,955		46,687		201,216		253,467	
2005	659		5,333		50,370		217,067		273,429	
% Growth	7.6%		7.1%		7.3%		7.3%		7.3%	
Race (2000)	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
White	2,283	38%	11,840	54%	99,771	63%	415,217	64%	529,111	64%
Black	1,777	29%	2,691	12%	9,669	6%	46,022	7%	60,159	7%
American Indian, Eskimo, or Aleut	11	0%	73	0%	838	1%	3,717	1%	4,639	1%
Asian or Pacific Islander	160	3%	792	4%	9,847	6%	62,522	10%	73,321	9%
Other	1,801	30%	6,381	29%	37,418	24%	116,996	18%	162,596	20%
Hispanic Origin	3,190	53%	11,583	53%	71,498	45%	249,349	39%	335,620	40%
Age (2000)	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
<9	391	6%	3,326	15%	30,877	20%	116,538	18%	151,132	18%
10-14	195	3%	1,646	8%	14,119	9%	51,983	8%	67,943	8%
15-24	1,822	30%	4,623	21%	24,802	16%	99,723	15%	130,970	16%
25-34	1,661	28%	4,157	19%	24,844	16%	100,727	16%	131,389	16%
35-44	1,198	20%	3,937	18%	28,288	18%	112,866	18%	146,289	18%
45-54	526	9%	2,275	10%	17,908	11%	78,444	12%	99,153	12%
55-64	143	2%	903	4%	8,141	5%	38,079	6%	47,266	6%
65+	96	2%	914	4%	8,563	5%	46,114	7%	55,687	7%
Median Age	28.4		28.0		28.9		31.0			30.5
Median Households Income										
2000	$ 54,233		$ 50,139		$ 52,203		$ 54,095		53,670	
2005	$ 66,508		$ 62,233		$ 65,563		$ 67,678		67,179	
% Growth	23%		24%		26%		25%		25%	
Average Household Income										
2000	$ 61,092		$ 58,501		$ 62,432		$ 66,802		$ 62,207	
2005	$ 80,063		$ 79,002		$ 85,516		$ 91,342		$ 83,981	
% Growth	31%		35%		37%		37%		35%	
Per Capita Income									(Average)	
2000	$ 8,448		$ 14,210		$ 18,670		$ 21,098		$ 15,607	
2005	$ 10,960		$ 19,222		$ 25,580		$ 28,843		$ 21,151	
% Growth	30%		35%		37%		37%		36%	
Employees (2000)	2,337		9,436		56,900		220,523		289,196	

Source: CACI Inc. and Economics Research Associates

Table IV-4
Preliminary Estimates of Potential Retail Capture From the 0-2 Mile Market at the CIM Site

	Median Household Income	Households
2000	50,587	5,564
2005	62,703	5,992

	Expenditure as % of Gross HH Income	Potential Market Area Expenditures ($000s) 2000	Potential Market Area Expenditures ($000s) 2005	Projected Capture 2000	Projected Capture 2005	Projected Supportable s.f. (rounded) 2000	Projected Supportable s.f. (rounded) 2005
Food	13.1%	$ 36,967	$ 49,345	35%	40%	32,300	49,300
Alcoholic beverages	0.8%	2,371	3,165	35%	40%	2,100	3,200
Apparel & services	4.3%	12,199	16,284	2%	2%	1,000	1,300
Health care (Drugs)	1.0%	2,815	3,757	20%	20%	1,400	1,900
Entertainment	5.3%	15,032	20,065	5%	5%	2,500	3,400
Personal care & services	1.2%	3,244	4,330	25%	30%	2,700	4,300
Reading	0.4%	1,248	1,666	5%	5%	200	300
Misc.	3.1%	8,794	11,739	5%	5%	1,800	2,300
Sub-Total		$ 64,823	$ 86,529			44,000	66,000

Additional estimated supportable s.f. from residential development at the CIM site (Buildout with 2000 HHs)

	Expenditure as % of Gross HH Income	Potential Market Area Expenditures ($000s)	Projected Capture	Projected Supportable s.f. (rounded)
Food	13.1%	$ 16,470	55%	22,600
Alcoholic beverages	0.8%	1,057	55%	1,500
Apparel & services	4.3%	5,435	13%	2,400
Health care (Drugs)	1.0%	1,254	40%	1,300
Entertainment	5.3%	6,697	12%	2,700
Personal care & services	1.2%	1,445	40%	1,900
Reading	0.4%	556	10%	200
Misc.	3.1%	3,918	10%	1,600
Sub-Total		$ 36,833		34,200

Support from College Students and Faculty

Full Time Equivalents (F.T.E.)			
Total Enrollment			16,000
1/3 @ 2.5 times/week for 36 weeks			480,000
2/3 @ 3.2 times/week for 36 weeks			1,229,000
Annual FTE Students			1,709,000
Faculty/staff			500
1/3 @ 2.5 times/week for 36 weeks			15,000
1/3 @ 5 times/week for 47 weeks			39,167
1/3 @ 5 times/week for 36 weeks			60,000
Annual FTE Faculty/Staff			114,167
Estimated Captured Expenditures			
	Exp./day		Annual Exp.
FTE Students	$	1.75	2,991,000
FTE Faculty	$	6.00	685,000
Total Annual Expenditures			3,676,000
Estimated yield of new retail space @			$ 400 /s.f.
Estimated Supportable Space (rounded)			9,000 s.f.*

Support from Area Employees

Total Market Area Employment (Buildout)	20,000
Per Capita Expenditure/Year	4,000
Onsite Capture	6.5%
Sales	$ 5,200,000
Supportable s.f.@ $400/s.f.	13,000 s.f.**

Total Supportable Space (Rounded) **122,000** s.f.

Note:
* In addition to on-campus bookstore, cafeteria, food kiosks, and vending machines
**Employment figures reflect anticipated area employment at CIM project buildout
Source: Economics Research Associates, CACI Inc., Bureau of Labor Statistics

At the present time, there are approximately 1,800 housing units to the north and within one mile of the subject property, within the area south of Chino Avenue, west of Euclid, and east of Benson. Over 80 percent of these, or 1,475 units, are actually within a one-mile radius of the Magnolia/Edison Avenue intersection.

There are an additional 1,915 units from one to 1.5 miles north of the property, between Chino Avenue and Euclid, and south of Riverside Drive, although these units would be within a secondary market area, being located more close to competitive markets to the north.

Table IV-5 illustrates total housing count as of late 2001, in approximately one-quarter-mile square grids north of the subject site.

Existing competitive supermarkets are in the Mountain Village Plaza Food4Less at the northeast corner of Riverside and Mountain approximately a 1.75-mile drive from the center point of the community; another Food4Less at the Chino Valley Shopping Center at the northwest corner of Walnut and Central roughly a 3.25-mile drive from the center of the community; Ralph's on the north side of the freeway on Central; and at the commercial complexes near Highway 71 between Chino Hills Parkway and Edison, roughly a three-mile drive from the center of the proposed community.

The subject community will include over 2,200 units at completion, which is expected to occur within seven years from opening. A strong secondary market will emerge to the east of the site in the City of Ontario, where from 3,000 to 4,000 additional units are eventually expected to be constructed. However, this area is under specific planning, and development is expected to be delayed for several years as financing of water supply, sewer, and other infrastructure is accomplished.

Table IV-5

1.5-MILE RETAIL MARKET HOME COUNT[1]

	Central			Oaks		Mountain		Euclid
Riverside Dr.								
	117	135	123	143	0	119	109	130
	83	160	190	82	82	153	160	127
Chino								
	---	---	15	50	53	97	0	158
	---	---	75	160	163	118	71	157
Shaefer Ave.								
	---	---	---	---	---	152	84	170
	---	---	---	---	---	58	67	91
Edison Ave.								
	---	---	---	---	---		65	---

Total: 3,719

Land uses to the west and northwest of the site are predominantly industrial and mixed commercial, and provide a secondary source of market support. Within a 1.5-mile radius of the site, the commercial/industrial employment is estimated at over 20,000 persons.

As shown in Table IV-6 supporting a 45,000-square-foot market at a sales level of $530 per square foot, or total sales of approximately $24 million, can be achieved with conservative penetration rates of the expected available markets within seven years, based on estimated per-household incomes of approximately $72,000 in the proposed community, and $58,000 for the existing area households, with per-capita annual supermarket expenditures of $2,200 and $2,000, respectively. The analysis is based on 55 percent capture within the community and 50 percent capture within the primary (mile radius) market to the north.

Industrial/commercial employment capture by the local supermarket is projected at approximately $210 per year per employee, which is approximately 6 percent of the total projected market potential per worker. Student and staff population for five years from

[1] By quarter mile square cells

opening is projected at 6,000 and 500, respectively, with per capita supermarket capture projected at $240 and $680 annually, respectively.

There appears to be sufficient market support for only one supermarket on the Edison corridor between Central to Euclid for the foreseeable future. Should a supermarket be established at another location on Edison between Mountain to Euclid, in our judgment it would effectively foreclose market potentials on the site.

This analysis assumes no development east of Euclid Avenue. As that development proceeds, it would strengthen market support for the supermarket onsite, although new commercial development to the east would be expected to penetrate this market eventually.

Without a supermarket, appropriate on-site commercial potential would probably be limited to an attractive convenience/community serving center emphasizing food and personal services of from 26,000 to 30,000 square feet.

Table IV-6

SUPERMARKET DEMAND

Market Segment	Population	Per Capita	Total Purchases ($000)	Onsite Capture	Sales ($000)
Onsite Residents (@ 3.2/unit, 2,000 DUs)	6,400	$2,200	$14,080	55%	$ 7,744
Primary North[1] (within one mile radius)	5,015	2,000	10,030	50	5,015
Secondary Residents[2] (south of Riverside Dr.)	7,786	2,000	15,572	20	3,114
Tertiary Residents[3] (within 2.5-mile radius)	25,600	2,000	51,200	4	2,048
Subtotal					$17,920
Employees (within 1.5 miles)	20,000	$3,500	$70,000	6%	$ 4,200
College Students[4]	6,000	1,200	7,200	20	1,440
College Staff[4]	500	4,500	2,250	15	340
Total[5]					$23,900

[1] 1,475 units @ 3.4 persons.
[2] 2,290 units @ 3.4 persons.
[3] 41,000 total within 2.5 miles less primary and secondary population.
[4] At 5 years, increasing to 15,000 students and 1,000 staff.
[5] Equals $531 sales per square foot for 45,000-square-feet store.